



Missouri Department of Natural Resources Energy Center

MISSOURI ENERGY BULLETIN

February 6, 2004

Energy prices and supplies shown throughout this bulletin are from Monday, Feb. 2, 2004 unless otherwise noted. Also shown are energy data from a month ago, Jan. 5, 2004, and from a year ago, Feb. 3, 2003.

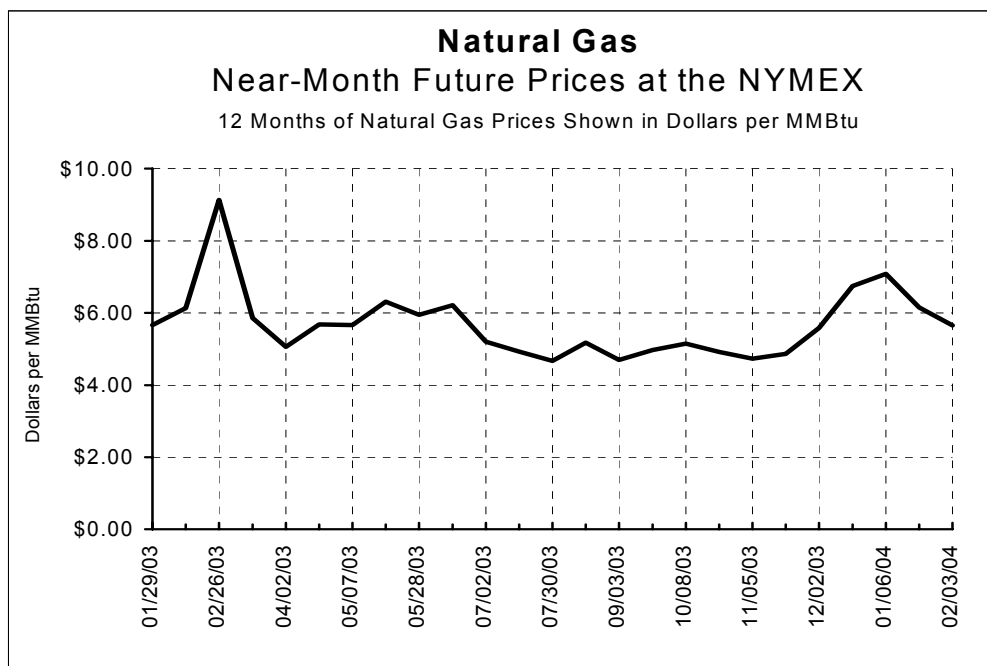
Heating Fuels

Heating fuels tracked in the Missouri Energy Bulletin include natural gas, propane and residential heating oil. All heating fuel prices and supplies shown from October through March are updated in every new release of the bulletin. From April through September, propane and heating oil prices and supplies are either not available or revised once a month.

Natural Gas

Approximately 60 percent of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity. From 1997 to 2000, Missouri electric utilities' use of natural gas increased by an annual average of 23 percent.

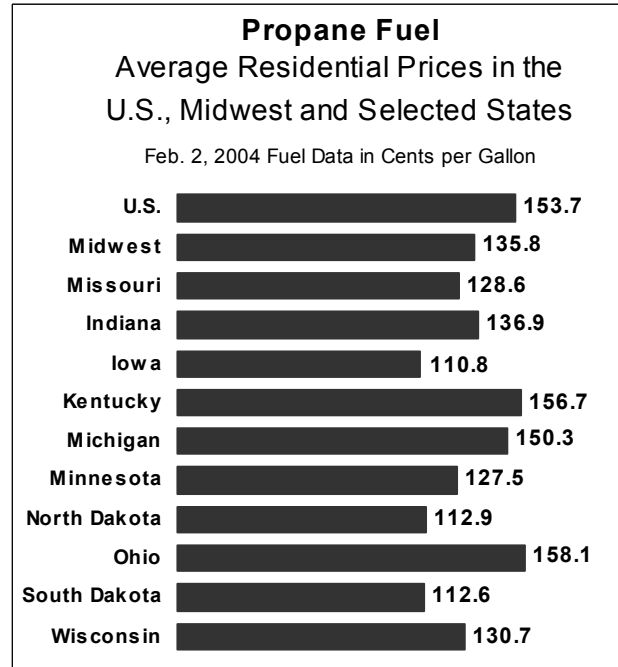
- The spot price for natural gas at the Henry Hub, throughout this last *month* (Jan. 6 to Feb. 3), decreased by 1.49 dollars per MMBtu (21 percent) moving from 7.02 to 5.53 dollars per MMBtu. Throughout this last *year* (Feb. 3, 2003 to Feb. 3, 2004), the price paid decreased by 0.22 dollars per MMBtu moving from 5.75 to 5.53 dollars per MMBtu, a decrease of 4 percent. (Source: *Wall Street Journal*)
- The near-month contract settlement price paid for natural gas futures at the NYMEX, throughout this last *month* (Jan. 6 to Feb. 3), decreased by 1.43 dollars per MMBtu (20 percent) moving from 7.08 to 5.65 dollars per MMBtu. Throughout this last *year* (Jan. 29, 2003 to Feb. 3, 2004), the price paid decreased by 0.01 dollars per MMBtu moving from 5.66 to 5.65 dollars per MMBtu, a decrease of less than 1 percent. (Source: *Wall Street Journal*)
- Last week, a respite from below-normal temperatures led to price decreases at virtually all market locations in the Lower 48 States since last Wednesday, January 28. Outside the Northeast region, the largest price declines were in the Midwest. Beginning Thursday, January 29, prices at most locations fell for three days in a row, reaching the lowest levels reported in the New Year before recovering on Tuesday and Wednesday amid expectations of an approaching cold front.
- Working gas in storage was 1,827 Bcf as of Friday, January 30, 2004, according to the EIA *Weekly Natural Gas Storage Report*. This is 3.4 percent above the 5-year average for the report week and 306 Bcf above the level last year for the same week. The implied net withdrawal during the report week was 236 Bcf, which is 77 percent more than the 5-year average withdrawal of 133 Bcf for the week, and about 13 percent more than the withdrawal of 208 Bcf reported for the same week last year. Cooler-than-normal temperatures across most of the Lower 48 States likely contributed to the larger-than-normal withdrawals of natural gas from storage.



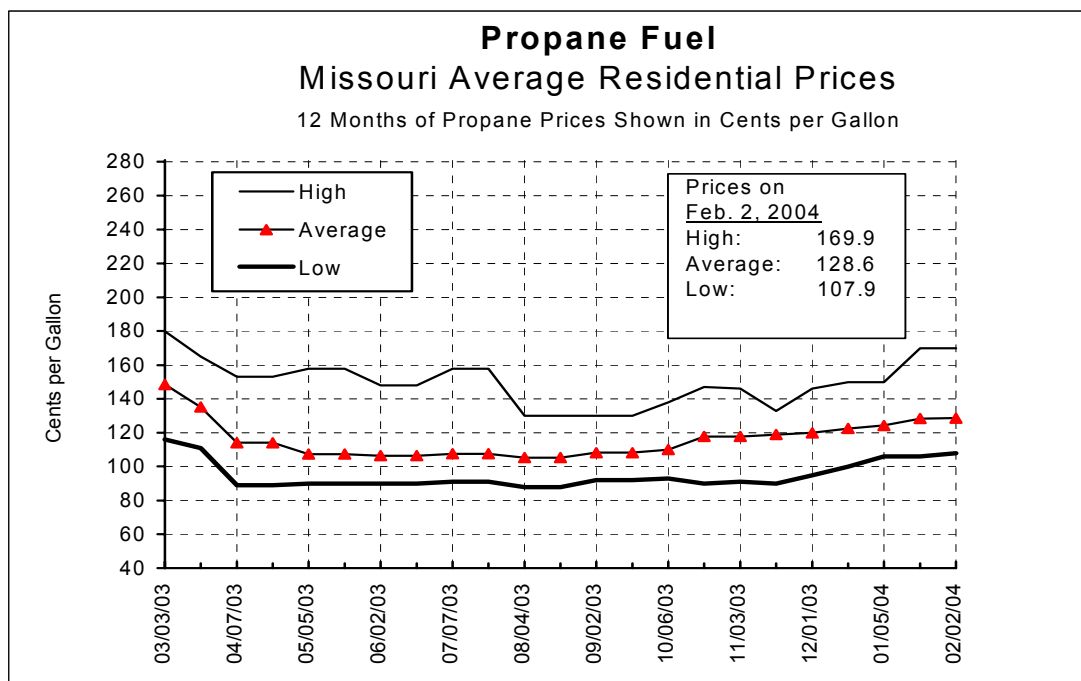
Propane

Approximately 12 percent of Missouri households heat with propane, which is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles. In 2000, Missourians spent about \$459 million and used 455 million gallons of propane.

- The average price paid for residential propane in **Missouri**, throughout this last *month*, increased by 4.4 cents per gallon (4 percent) moving from 124.2 to 128.6 cents per gallon. Throughout this last *year*, the price paid for propane increased by 9.4 cents per gallon moving from 119.2 to 128.6 cents per gallon, an increase of 8 percent.
- Propane stocks in the **United States**, throughout this last *month* (Jan. 2 to Jan. 30), were down by 16.0 million barrels moving from 50.0 to 34.0 million barrels, a decrease of 32 percent. In the **Midwest**, stocks were down by 5.9 million barrels moving from 21.5 to 15.6 million barrels, a decrease of 28 percent.
- Propane stocks in the **United States**, throughout this last *year* (Jan. 31, 2003 to Jan. 30, 2004), were up by 1.6 million barrels (5 percent) moving from 32.3 to 34.0 million barrels. In the **Midwest**, stocks were up by 2.7 million barrels moving from 12.9 to 15.6 million barrels, an increase of 21 percent.



- With January's colder-than-normal temperatures, particularly in the Midwest and East Coast regions, demand for propane for the month of January totaled 16 million barrels, sending U.S. inventories of propane down to below an estimated 34 million barrels as of January 30, 2004. Although slightly above January's 5-year average supply draw of about 15 million barrels, the monthly decline in inventories fell short of reaching the January record of 18.7 million barrels set last year. Primary inventories of propane remain within the average range for this time of year.
- The frigid weather that continued well into the final week of January pushed regional inventories lower in all the major areas last week. The Midwest accounted for the largest weekly draw with 1.6 million barrels.



Residential Heating Oil

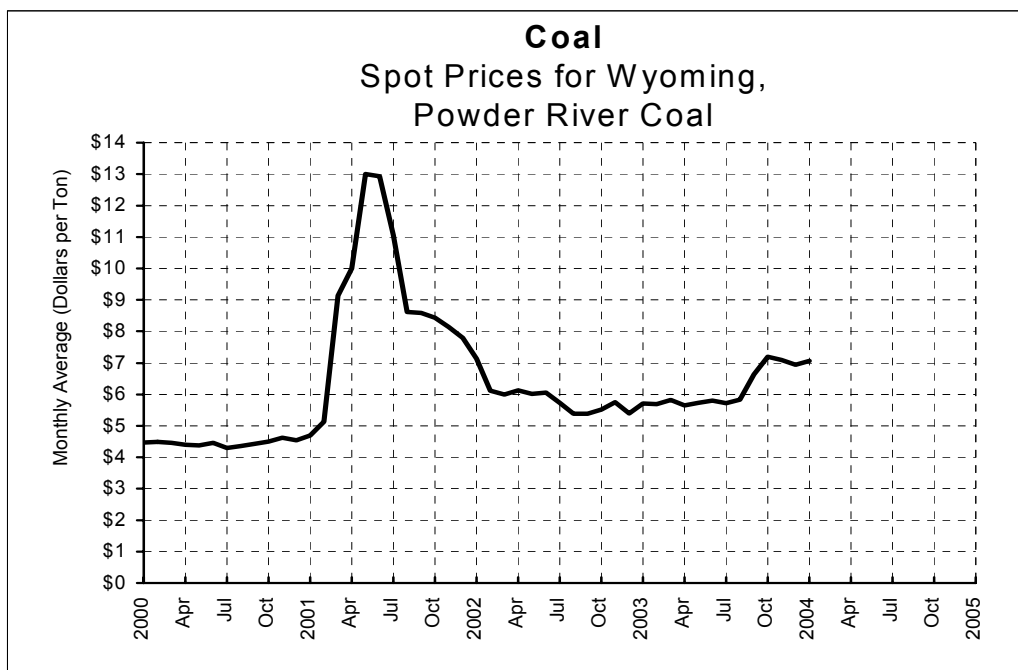
- The average price paid for residential heating oil in the **Midwest**, throughout this last *year*, increased by 1.9 cents per gallon moving from 132.6 to 134.5 cents per gallon. In the **United States**, the average price paid increased by 9.0 cents per gallon (6 percent) moving from 153.5 to 162.5 cents per gallon.
- Residential heating oil stocks in the **Midwest**, throughout this last *month* (Jan. 2 to Jan. 30), were down by 0.7 million barrels (9 percent) moving from 8.0 to 7.3 million barrels. In the **United States**, stocks were down by 6.3 million barrels (11 percent) moving from 55.6 to 49.3 million barrels.
- Residential heating oil stocks in the **Midwest**, throughout this last *year* (Jan. 31, 2003 to Jan. 30, 2004), were up by 0.6 million barrels (9 percent) moving from 6.7 to 7.3 million barrels. In the **United States**, stocks were up by 6.8 million barrels (16 percent) moving from 42.5 to 49.3 million barrels.

Coal

Coal-fired electric power plants located in Missouri produced 84 percent of all electric power used throughout the

state in 2001. Of all coal delivered to Missouri during 2000, about 96 percent came from Wyoming.

- The monthly average price paid for Wyoming, Powder River coal, throughout this last *month* (Dec. to Jan.), increased by 0.12 dollars (2 percent) moving from 6.94 to 7.06 dollars per ton. Throughout this last *year* (Jan. 2003 to Jan. 2004), the average price paid increased by 1.35 dollars moving from 5.71 to 7.06 dollars per ton, an increase of 24 percent. (Source: *Wyoming Insight*, Jan. 23, 2004)

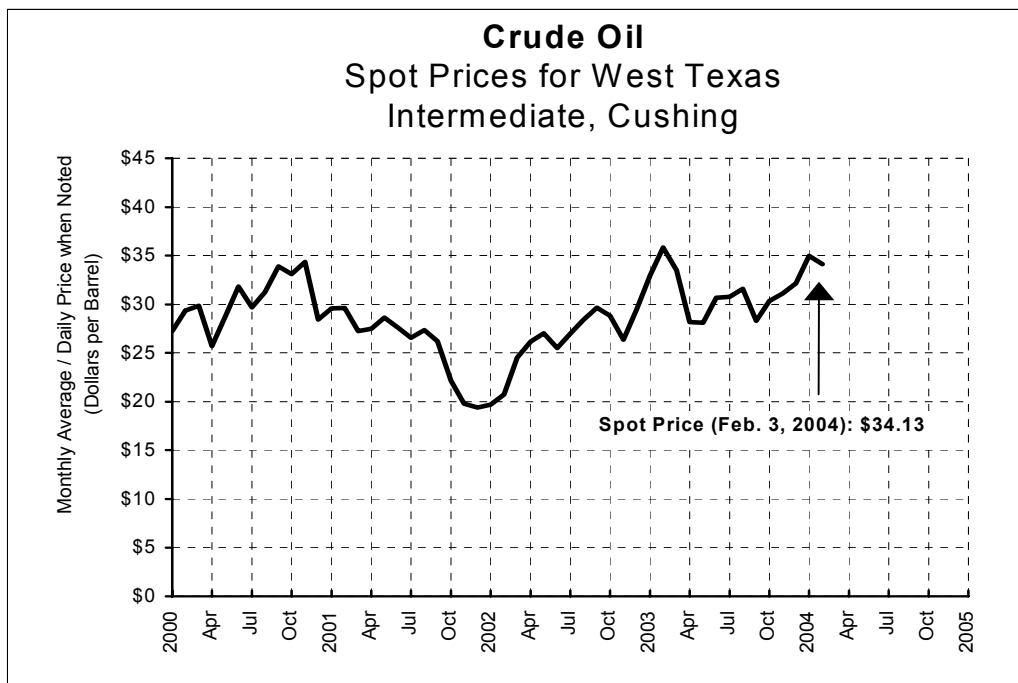


- Estimated coal production for the week ending Jan. 31, 2004 was 20.36 million short tons (mmst). This was 0.54 percent above the comparable week in 2003. Year-to-date U.S. coal production is estimated at 91.04 mmst, or 1.8 percent behind the corresponding total for 2003.
- Since mid-September, coal prices in general remain strong due to continued demand from the utility sector. High natural gas and crude oil prices are providing strong incentives for increased use of coal to generate electricity by U.S. utilities as more natural gas and heating oil is used for winter heating purposes.

Crude Oil

- The spot price of crude oil (West Texas Intermediate - Cushing), throughout this last *month* (Jan. 6 to Feb. 3), increased by 0.40 dollars per barrel (1 percent) moving from 33.73 to 34.13 dollars per barrel. Throughout this last *year* (Feb. 3, 2003 to Feb. 3, 2004), the spot price increased by 1.35 dollars per barrel moving from 32.78 to 34.13 dollars per barrel, an increase of 4 percent. (Source: *Wall Street Journal*)
- USDOE reported an increase in U.S. crude oil inventories of 7.9 million barrels for the week ending January 30. Current U.S. crude supplies stand at 271.6 million barrels or 2.7 million barrels less than this time last year. During this reporting period, crude oil imports were approximately 10.5 million barrels per day. Before this increase in imports, the crude oil situation had several of the same

characteristics as last year at this time. Following a drop in crude oil import levels, inventories fell, which caused a drop in crude oil refinery inputs. Over the last four weeks, crude oil refinery inputs have consistently dropped; the average for the week ending January 30 was 879,000 barrels per day less than the average during the week ending January 2.



Transportation Fuels

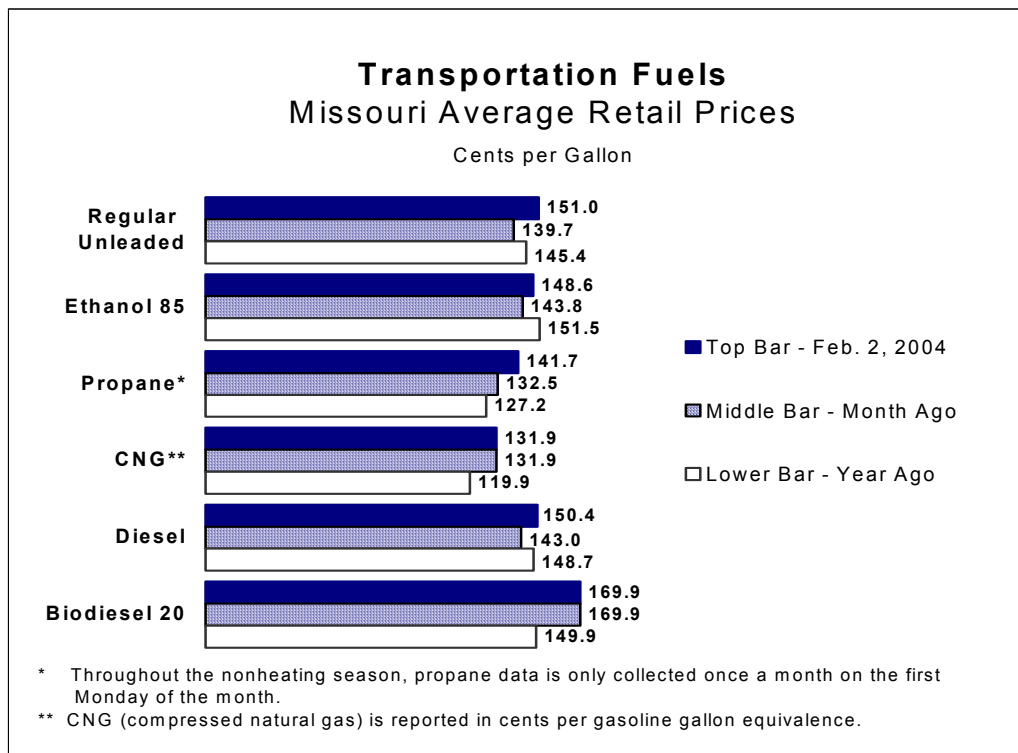
- The average retail price paid for regular unleaded gasoline in **Missouri**, throughout this last *month*, increased by 11.3 cents per gallon (8 percent) moving from 139.7 to 151.0 cents per gallon. Throughout this last *year*, the price paid increased by 5.6 cents per gallon moving from 145.4 to 151.0 cents per gallon, an increase of 4 percent.
- The average retail price paid for regular unleaded gasoline in the **United States**, throughout this last *month*, increased 10.6 cents per gallon (7 percent) moving from 151.0 to 161.6 cents per gallon. Throughout this last *year*, the price paid increased by 8.9 cents per gallon, an increase of 6 percent.
- The average retail price paid for highway diesel fuel in **Missouri**, throughout this last *month*, increased by 7.4 cents per gallon (5 percent) moving from 143.0 to 150.4 cents per gallon. Throughout this last *year*, the price paid increased by 1.7 cents per gallon moving from 148.7 to 150.4 cents per gallon, an increase 1 percent.

Regular Unleaded Gasoline Average Retail Prices in the U.S., Midwest, Missouri and Missouri Regions

Feb. 2, 2004 Fuel Data in Cents per Gallon

U.S.	161.6
Midwest	157.9
Missouri	151.0
Central, Mo.	149.5
Kansas City, Mo.	147.2
Northeast, Mo.	149.3
Northwest, Mo.	148.9
St. Louis, Mo.	155.1
Southeast, Mo.	150.4
Southwest, Mo.	150.2

- Total motor gasoline stocks in the **Midwest**, throughout this last *month* (Jan. 2 to Jan. 30) were down by 1.1 million barrels (2 percent) moving from 54.6 to 53.5 million barrels. In the **United States**, stocks were down by 0.7 million barrels moving from 206.3 to 205.6 million barrels, a decrease of less than 1 percent.
- Total motor gasoline stocks in the **Midwest**, throughout this last *year* (Jan. 31, 2003 to Jan. 30, 2004), were up by 2.8 million barrels (6 percent) moving from 50.7 to 53.5 million barrels. In the **United States**, stocks were down by 4.0 million barrels moving from 209.6 to 205.6 million barrels, a decrease of 2 percent.
- Last weekend's fire at the ConocoPhillips 310,000 Wood River, Illinois refinery and a fire at BP's Whiting, Indiana refinery helped to push NYMEX and local bulk terminal prices higher. ConocoPhillips is continuing to provide petroleum products to their customers without interruption, however, BP reports that the Whiting refinery has forced the company to limit distribution to contracted branded customers until further notice. As a result of a refinery problem with Citgo's Corpus Christi refinery, the company is allocating gasoline to their customers until further notice.



The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Energy Bulletin is a public resource that is made available to state government decision-makers, to any other interested individual upon request and on-line at the Energy Center Internet site. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration and Chicago Regional Office; the National Association of State Energy Officials the Missouri Propane Gas Association and the Propane Education and Research Council; the St. Louis AAA Auto

Club; regional state energy offices; and, Missouri's energy retailers.